

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 17171 270719Z

15

ACTION EB-07

INFO OCT-01 NEA-06 ISO-00 SP-02 AID-05 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 AGR-05

OIC-02 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 XMB-02

OPIC-03 LAB-04 SIL-01 IGA-01 L-02 H-01 DODE-00 PA-01

USIA-06 PRS-01 EUR-12 /095 W
----- 043201

R 270620Z DEC 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 5943

LIMITED OFFICIAL USE NEW DELHI 17171

E.O. 11652: N/A

TAGS: ETRD, EAGR, IN

SUBJ: US PROPOSAL FOR DISCUSSION OF GRAIN RESERVES:

US FOOD AID

1. I DELIVERED THE US PROPOSAL FOR DISCUSSION OF GRAIN RESERVES (STATE'S 279906) TO MINISTER OF AGRICULTURE RAM THIS MORNING. HE HAD LITTLE TO SAY ABOUT THIS MATTER BUT THE DISCUSSION SOON TURNED TO US FOOD AID AND THE OBSTACLES TO NEGOTIATING A TITLE I PROGRAM.

2. RAM TURNED OUT TO BE SURPRISINGLY WELL INFORMED ABOUT THE DETAILS OF THE NEGOTIATION AND HE USED THEM TO ILLUSTRATE THE REASONS WHY FRIENDLY GOI OFFICIALS SUCH AS HIMSELF FOUND IT DIFFICULT TO DEFEND US POLICIES TOWARDS INDIA.

3. HE POINTED OUT THAT THE SOVIET UNION, CANADA, AUSTRALIA, SWEDEN AND THE UNITED KINGDOM, ALL OF WHOM GAVE FOOD AID TO INDIA, DID NOT "TIE STRINGS" TO THEIR AID. THE USG DID. NO OTHER COUNTRY REQUIRES INDIA TO SIGN A DOCUMENT BARRING EXPORTS OF GRAIN. THE US IS ATTEMPTING TO DO SO.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 17171 270719Z

4. HE NOTED THAT INDIA SOMETIMES FURNISHES FOOD AID TO SRI LANKA OR BANGLADESH. THE AMOUNT MIGHT NOT BE LARGE FOR INDIA BUT IT WAS VITAL TO INDIA'S NEIGHBORS. WAS IT IN THE USG'S INTEREST TO PREVENT SUCH ASSISTANCE?

5. INDIA HAD A CONTRACTUAL OBLIGATION TO REPAY THE SOVIET UNION. IN FACT, THIS DEBT WOULD ALMOST CERTAINLY NOT BE REPAID BY INDIAN ORIGIN GRAIN SHIPMENTS BUT ON WHAT BASIS COULD HE STAND UP IN PARLIMENT AND DEFEND USG INSISTENCE THAT EXISTING COMMITMENTS NOT BE HONORED.

6. NO OTHER GOVERNMENT REQUIRED THE GOI TO FURNISH REPORTS ON ITS "SELF HELP MEASURES". IF THE USG WANTED TO KNOW WHAT THE GOI WAS DOING WHY NOT ASK THE US EMBASSY WHICH HAS THIS INFORMATION. IF IT WERE DISSATISFIED IT COULD TERMINATE FOOD AID. VISIBLE AND UNNECESSARY "STRINGS" WERE IN SHARP CONTRAST TO OTHER COUNTRIES'S POLICIES TOWARDS INDIA.

7. OF COURSE, I NOTED THAT OUR STRINGS WERE BUREAUCRATIC AND NOT POLITICAL IN NATURE. ONLY THE US OF THE MAJOR COUNTRIES AFFECTING INDIA DOES NOT HAVE THE OBJECTIVE OF CHANGING INDIA'S DOMESTIC POLITICAL STRUCTURE (RAM AGREED).

8. NEVER THELESS I WOULD BE HARD PRESSED TO DEFEND THESE ABSURDITIES. WE WOULD NOT WISH TO SEE INDIA EXPORT GRAIN TO THE SOVIET UNION (AND THIS IS UNLIKELY). BUT WE ARE ALSO A COUNTRY WITH A UNDERSTANDING OF THE IMPORTANCE OF CONTRACTS AND I CANNOT SEE US SHOVING DOWN THE INDIAN THROAT A PROVISION WHICH VIOLATES EXISTING INDIAN COMMITMENTS. NATURALLY, ALSO, WE SHOULDN'T WANT TO PROHIBIT THE INDIANS FROM HELPING OUT NEARBY NEEDY COUNTRIES (WITH OTHER THAN PL 480 IMPORTS, I MIGHT STRESS). I AM ADVISED THAT A 1973 TITLE I AGREEMENT WITH PAKISTAN EXPLICITLY PERMITTED THE EXPORT BY THE GOI OF BARLEY UNDER PRE EXISTING CONTRACTS; AND THAT THE APRIL 1, 1973 USG/GOI TITLE I SALES AGREEMENT EXPLICITLY PERMITTED THE EXPORT OF VEGETABLE OIL. SO WHAT ARE WE TALKING ABOUT REALLY? I CAN'T HELP BUT CONCLUDE THAT THE REQUIREMENT AT ISSUE IS NOT ONE OF LAW BUT SIMPLY OF BUREAUCRATIC CUSTOM BEING APPLIED IN A CLUMSY BLANKET FASHION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 17171 270719Z

9. THE SAME IS TRUE OF NEW REPORTING REQUIREMENTS. WE HAVE NEVER HAD ANY DIFFICULTIES IN OBTAINING INFORMATION ON INDIA'S AGRICULTURAL POLICIES. BUT WE WILL IRRITATE SOME PEOPLE IF WE PUT THIS REPORTING ONUS ON THE INDIANS. OF COURSE WE SHOULD (AND CAN) ASSURE OURSELVES THAT RECIPIENT COUNTRIES ARE DOING AS MUCH AS THEY CAN FOR THEMSELVES. I REALIZE THAT THE PL 480 ACT REQUIRES A PRESIDENTIAL REPORT ON SELF HELP BUT WONDER WHETHER A REQUIREMENT IN THE AGREEMENT FOR "MUTUAL

COOPERATION OF BOTH COUNTRIES" WOULDN'T BE SUFFICIENT TO GET
THE INFORMATION WE NEED.

10. ACTION REQUESTED: PLEASE LOOK INTO THESE TWO POINTS AND
SEE IF WE CAN DEVELOP A REASONABLE COMPROMISE WHICH MEETS OUR
BUREAUCRATIC NEEDS AS WELL AS THE POLITICAL REALITIES.

MOYNIHAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOD ASSISTANCE, GRAINS, NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974NEWDE17171
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740375-0608
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974128/aaaaagkg.tel
Line Count: 122
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 19 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 AUG 2002 by kellew0>; APPROVED <26 FEB 2003 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US PROPOSAL FOR DISCUSSION OF GRAIN RESERVES: US FOOD AID
TAGS: ETRD, EAGR, IN, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005